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E.O. 12958: DECL: 11/16/2019
TAGS: [ENRG](#) [ECON](#) [EMIN](#) [TRGY](#) [PARM](#) [KNNP](#) [JO](#)
SUBJECT: JORDAN AWARDS CONTRACT FOR NUCLEAR ENERGY PROJECT
TECHNICAL STUDY TO AUSTRALIAN FIRM

REF: A. AMMAN 2290
[1](#)B. AMMAN 1690
[1](#)C. AMMAN 1570
[1](#)D. AMMAN 1489
[1](#)E. AMMAN 825
[1](#)F. 08 AMMAN 2770

Classified By: Ambassador R. Stephen Beecroft for Reasons 1.4 (b) and (d)

[1](#)1. (C) The Jordan Atomic Energy Commission (JAEC) on November 15 signed an \$11.3 million agreement with the Australian firm WorleyParsons to conduct a two-year technology selection and financial feasibility study for Jordan's first nuclear power plant planned to be built near Aqaba, according to the press. WorleyParsons beat out American firm Parsons Brinckerhoff and Belgium's Tractabel for the contract. Tractabel was awarded a \$12 million site selection and characterization study contract in late September. WorleyParsons will aid the JAEC as it seeks a strategic partner to establish a nuclear electric utility company. The utility is expected to be established as a private-public partnership, owned by private investors, international donor institutions, and the Government of Jordan (GOJ). The JAEC hopes to sign an agreement with a strategic partner by 2012. The goal of the nuclear power program is to build up to four reactors with the capacity to provide 60% of the country's needs by 2035.

[1](#)2. (U) In related developments, the GOJ is close to signing a concession agreement with the French firm AREVA to mine uranium in central Jordan and is expected to signed a deal with British-Australian firm Rio-Tinto to explore and mine uranium in the south. JAEC Chairman Khaled Toukan also told the media that the JAEC has narrowed its choices to five Generation III reactor types: the Canadian Enhanced Candu 6, a water-conscious reactor from French firm AREVA, the South Korean Kepco's APR 1400, and two Russian Rosatom reactors,

each with a potential generation capacity of 1,000 to 1,200 megawatts.

¶3. (C) Comment: The Australian agreement is a new development in Jordan's multi-directional approach to establishing a nuclear energy program and is consistent with Toukan's public view that engaging multiple partners ensures that Jordan will not be "held hostage" by any single country. Toukan also asserts that such agreements and broad engagement are proof that Jordan adheres to its international obligations and lessen the need for the assurances proposed by the U.S. for the 123 Agreement. Nevertheless, a South Korean Embassy official in Amman told EconOff that Korea was keenly following U.S.-Jordan developments as, in his words, a 123 Agreement would be a "prerequisite" for Korea to take part in the construction of a nuclear reactor in Jordan.

¶4. (C) Comment continued: The DCM of the Australian Embassy in Amman asserted to EconOff that the deal was commercial, not primarily government-to-government, and involved WorleyParsons' Bulgarian branch. He said that Australia was not currently pursuing a nuclear cooperation agreement with Jordan because it did not need one and he did not envision Australian companies becoming involved in the reactor construction phase, and because the study contract awarded was more academic in scope than technological. He speculated that the JAEC-WorleyParsons deal was in part attributable to the absence of Australian firms in the current construction plans, giving JAEC confidence that WorleyParsons could offer an unvarnished technical and financial assessment to JAEC for the construction phase of the project. End comment.

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